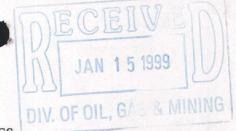
FORM MR-AR (Revised 3/98)



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538 5301

Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	Genera	al Information
	1.	Report Time Period: From (mo./yr.) 196 To (mo./yr.) 1298
	2.	DOGM File Number (Mine No): 5 / 47 / 055 064
	3.	Mine Name: COTTON WOOD MINE
	4.	Mineral(s) Mined (or permitted to mine): GILSON ITE
	5.	Type of mine ☐ Surface Mine or ☐ Underground Mine
	6.	Legal Description (Location of Lands Affected):
		1/4,1/4, Section 35, Township 105, Range 21E
		1/4,1/4,1/4, Section, Township, Range
		1/4,1/4,1/4, Section, Township, Range
7.	Name	of Operator or Company: LEXCO /NC
	8.	Permanent Street Address: 582 NORTH VERNAL AVE (20.BOX 1198)
		City, State, Zip: VERNAL, UTAH 84078
		Phone: 435 789-536/
	9.	Company Representative (or designated operator):
		Name:M. LEXAS
		Title: TRES
		Business Address: Box 1198
		City, State, Zip: VERNAL, WAH 84078
		Phone: 435 789-5361
		Please check if any of the above information has changed since previous year.
П.	Mining	g and Reclamation
	1.	Was there any mine related activity during the past year? Yes No □
	2.	If no - what was the last year of activity?
	3.	If yes - how much ore or mineral was mined? 5172 Tow

4.	Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
	UNERGROUND MINING AND SURFACE EXPLORATION
5.	How much additional acreage was disturbed during the past year? 1/2 ACRE
6.	How much acreage was reclaimed during the past year?
7.	Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
8.	What is the total disturbed acreage of entire project at years end? 21/2 ACRES
9.	Briefly summarize any mining and/or reclamation plans for the upcoming year.
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NOTE:	Section III., "Additional Information" applies only to large mining operations.
III. Additional	<u>Information</u>
1.	An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2.	Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.
IV. Signature	<u>Requirement</u>
I here	by certify that the foregoing is true and correct.
	Name (Typed or Print): Ames M., LEKAS
	Title of Operator:
	Signature of Operator:
	Date: 1/4/99
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